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MARKET ANALYSIS AND APPRAISAL

1. Market Data. Define the target rental and sales market/geographic area within the project will compete for tenants. What is the profile of the typical tenant located within this market area? Include the following: sex, age, income level, type of household, etc.

Description of geographic area and target rental market

Boston Chinatown is a vital and growing economic, residential and cultural center for the Asian community in Greater Boston and Massachusetts as well. However, despite its unique and important multi-functions, Chinatown is a community with dire needs. As one of Boston's poorest and densest communities, Chinatown has suffered a long history of public disinvestment, poor city service delivery and political neglect.

Furthermore, increasing downtown development pressure is posing an additional challenge to Chinatown's survival as a commercial and residential community. Real estate speculation increases the threat of residential displacement and serves to potentially prohibit the important function of Chinatown as a source of affordable housing for Asian immigrants.

The housing needs of Chinatown are well documented. A 1987 Boston Redevelopment Authority (BRA) study noted that while the Chinatown population almost doubled from 1980 to 1987, only 70 new housing units were added to the housing supply. In addition, much of Chinatown's housing stock is old and dilapidated. According to a visual inspection survey conducted in 1985 by examining the exteriors of 195 buildings, 46% of the buildings were in poor condition and 2% in very poor condition. About one-third of Chinatown's housing units are in buildings built before 1939.

The urgent need for affordable housing can also be measured by Chinatown's low housing vacancy rate of 3.2% and the extensive degree of overcrowdedness. The average Chinatown household size is 4.0 people compared to a 1985 Boston city-wide average household size of 2.5 persons. Moreover, the demand for affordable housing is primarily for family and elderly housing.

The population of Chinatown is comprised of substantial proportions of elderly and children. 41% of Chinatown households contain at least one elderly person while 18% contain two or more elderly and 48% of Chinatown households have children. Over 60% of current Chinatown residents interviewed for the 1987 BRA Chinatown housing conditions survey stated a need for larger units, primarily three bedroom units.

The great demand for family units is further exacerbated by the limited availability of affordable family units in Chinatown. Tai Tung Village and Mass Pike Towers are two family subsidized housing complexes in Chinatown. However, of the 214 units in Tai Tung Village, only 39 are 3 bedroom units with the majority as 2 bedroom units while in Mass Pike

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Towers, only 16 of the 200 units are 3 bedroom units. Furthermore, there are presently 400-600 applications for family units (3-4 bedroom units) in Tai Tung and Mass Pike. These families have been on the waiting list since 1978-1979. While families wait for a unit to become available, the majority live in Chinatown with relatives or in inadequate sized units.

Profile of Typical Tenant (sex, age, income level, type of household, etc.)

Six out of every 10 Chinatown households are families. Of these, 87% are married couple families compared to 64% for Boston as a whole. Almost one-half of Chinatown households have children and of these, 21% are under five years old. In addition, 41% of the households contain at least one elderly person. Chinatown is also one of Boston's poorest communities. The 1980 median income for a Chinatown household is 72% of the Boston median income. Approximately 20% of Chinatown families live below the poverty level. Therefore, the typical tenant would be a young to middle-aged married couple with children and possibly a grandparent residing with them as well. Most likely, the household will have at least two wage-earners and a reported family income of approximately $10,000 or less.

Although Chinatown residents are typically poor, Asians who do not live in Chinatown have been found to be wealthier according to the 1988 BRA Chinatown User Survey. One of the unique features of the Chinatown neighborhood is that it is not a purely geographically residential community. Many Asians and non-Asians are part of the community through their ties to their employment; use of social services; educational pursuits; membership in various community organizations and agencies; and cultural and political activities.

The attractiveness of living in Chinatown for both higher income Asians and non-Asians is due to the proximity to many important amenities such as Asian food markets; bilingual services; specialized new immigrant services; employment opportunities and services; outstanding medical services; excellent transportation access; department stores; theatre and entertainment areas; fine dining facilities; and large public open spaces such as the Public Gardens and the Boston Commons. The location is also ideal as it is so close to popular city sites such as Copley Square, Fanueil Hall Market Place, Downtown Crossing, Theatre District, the Charles River and many educational institutions such New England School of Law, Tufts Medical and Dental Schools and UMass.

2. Current population of market area. 6000

3. Population trend 1975 to 1985: from 2750 to 5100

   Percent increase or decrease: 54% increase

   Anticipated population growth: Good: _X_; Stable: ___; Poor: ___.

4. Economic trends in the area are: Increasing: _X_; Stable: ___; Decreasing: ___.

5. Distance to major employment areas:

The residential section of Chinatown is located only a few blocks from Chinatown's business core which comprises of 176 small businesses including 47 restaurants and bakeries, 19 gift shops, 16 grocery and drug stores, 56 professional and personal care establishments such as hair salons, dental offices, etc., and 17 wholesale, factory and import-export businesses. According to a 1987 BRA survey of Chinatown businesses, 70% of Chinatown workers reside in Chinatown or another Boston neighborhood and the majority either walk or take public transportation to work. Other major employment areas such as the financial district, leather district and downtown crossing are all located within walking distance from Chinatown.

Indicate existing or anticipated job opportunities.

Chinatown is centrally located in downtown Boston and abuts several major development projects including the revitalization of the Combat Zone (Midtown/Cultural District), an office tower development; One Lincoln Place and the South Station Air Rights development. These major development projects are anticipated to generate numerous construction and permanent jobs. The Midtown/Cultural District entails two major mixed-use development projects, Boston Crossing and Commonwealth Center. The Boston Crossing project involves the redesign and expansiion of Lafayette Place, the addition of Bloomingdales, and the construction of two office buildings. This project is expected to generate 8,200 construction jobs and 7,300 permanent jobs. The Commonwealth Center project involves the construction of retail space, two office towers, two theatres, one multi-screen cinema and a hotel. It is expected to generate 6,000 construction jobs and 6,300 permanent jobs. The construction of an office tower at One Lincoln Place is anticipated to generate 1,000 construction jobs and 3,000 permanent jobs. Finally, although a developer has yet to be designated for the South Station Air Rights project, it is anticipated that a minimum of 3,200 construction jobs and 6,300 permanent jobs will be created.

6. Describe the following comparable properties which would be available to tenants within the market area: a. "existing"; b. "pipeline" (building permits issued or currently under construction); c. "recently completed" (within the last year). Include the total number of properties, number of bedrooms and delineate rental and condominium rental units (from local building department).

Multi-Family Housing
Market Area Comparable Unit Analysis

RENTAL

Name Recent Com. (RC)	Address/Tel.#	# of Units	Bedrooms/ Baths	Existing (E) Pipeline (P)
Tai Tung Village	230 Harrison Ave	50	1 bdrm	Existing
	Boston 02111	106	2 bdrm	
	(617) 423 5900	39	3 bdrm	
		19	4 bdrm	

MassPike Towers	300 Tremont St Boston 02116 (617) 426 6165	42 142 16	1 bdrm 2 bdrm 3 bdrm	Existing
Tremont Village	347 Tremont St Boston 02116 (617) 661 7190	4 16	2 bdrm 3 bdrm	Recent Com.
Waterford Place	180 Shawmut Ave Boston 02118 (617) 482 2747	9 11 10 10	1 bdrm 2 bdrm 3 bdrm 4 brdm	Recent Com.
Parcel A	Corner of Washington & Marginal Rd. Boston 02111	 11 18 3	13 2 bdrm 3 bdrm 4 bdrm	1 bdrm Pipeline

CONDO

Name Recent Com. (RC)	Address/Tel.#	# of	Bedrooms/	Existing (E) Pipeline (P) Units Baths
Parcel A	Corner of Washington & Marginal Rd. Boston 02111	57	20 2 bdrm	1 bdrm

TOTAL: Rental Developments — Number of Units
Condo Developments — Number of Units

7. Note specific factors which will directly encourage future housing growth.

There are several significant factors which will directly encourage future housing growth in the Chinatown community. Most important is the new downtown development projects namely the revitalization of the Combat Zone into a Midtown/Cultural District. The planning vision for the Midtown/Cultural District involves many components including a downtown residential community to compliment the housing complexes currently along the Boston Common such as Heritage on the Common and Parkside East. These new developments will transform the areas surrounding the Combat Zone into desirable places to reside. In addition, once the Central Artery/Third Harbor Tunnel project begins, it is anticipated that many downtown workers will chose to relocate closer to their work places which will further add demand to the downtown housing market. In Chinatown, the population is

steadily increasing. Many new immigrants seek affordable housing in Chinatown. The need for quality affordable housing within the community is quite great.

8. Total occupied housing units: 1283 occupied housing units

9. Total number of housing units available: 42 vacant housing units

10. Multifamily (3+) housing accounts for 9% of total housing units available.

11. Is there a shortage of rental housing in this area? Yes

If yes, identify by bedroom size and type. Specifically discuss the rate of condominium conversion, buildings lost to abandonment, etc.

Due to the demographics of Chinatown which indicates a large proportion of children and elderly in the general population, the demand for housing is primarily for family and elderly housing. Specifically, rental units with 2 and 3 bedrooms are in great demand. While the loss of housing stock due to building abandonment is not an immediate concern, residential displacement due to downtown displacement is of utmost importance. Since Chinatown is centrally located, the community is particularly vulnerable to displacement and real estate speculation. An example is the loss of 30 units at 175 Tremont Street to make way for the previously proposed Commonwealth Center. As a result several Southeast Asian and Chinese families were displaced.

12. Average age of existing housing stock is 30 years old.

13. Average attainable market rent in this area is:

0-BR: $650 1-BR: $800 2-BR: $1,000 3-BR: $1,200 4-BR: $1,200-$1,400

14. List below 3 comparable conventional market apartment complexes and indicate source and telephone number of information of each. Do not include developments with federal and state assistance.

There are no conventional market apartment complexes comparable to the size of the proposed Parcel B housing development near the Chinese community. The unique location of the Financial District, Downtown Crossing and Boston Common within close proximity has influenced the type of market rate housing available. Primarily, the market housing complexes that are nearby are predominately luxury condominiums such as Heritage on the Common, Parkside East, Devonshire and Tremont on the Common. The Parcel B development is therefore unique for this reason. Parcel B will be an important contribution toward meeting the great demand for affordable housing and will also provide market units in a prime and desirable location.

Although there is no comparable conventional market apartment complexes in or nearby, there are two comparable mixed income housing developments.

31 Beach Street Project

This rehabilitation project opened in 1988 and has 32 units. 13 of these units are market rate and 19 units are subsidized.

TYPE	NO.	RENT	SQ.FT.
1-BR	9	$749	605-640
2-BR	2	$945	797
3-BR	2	$1,188	888
4-BR	0		

Amenities: Dishwasher, garbage disposal, intercom system, hardwood floors, elevators.

Rent-Up Period: 3-4 months

Present market rate vacancies: 6*

* Slower rent-up period began 1/90.

Waterford Place

This new construction project open in 1990 and has 40 units. 14 of these units are market rate and 26 units use subsidies.

TYPE	NO	RENT	SQ. FT.
1-BR	5	$775-$825	512-702
2-BR	2	$1,050-$1,100	752 & 825
3-BR	3	$1,250	1,077 & 1,256
4-BR	4	$1,400	1,350 & 1,460

Amenities: Dishwasher, garbage disposal, washer/dryer hook-ups(3/4 bedrooms only), intercom system, community room, laundry room, rental parking, terrace.

Rent-Up Period: Unknown as just opened and presently trying to obtain pool of applicants.

Market Rate Vacancies: 14

Our research indicated that the following realtors rent apartments in the neighboring Bay Village, South End, Back Bay, Beacon Hill and Downtown. Most of them indicated that their higher quality apartments were still moving well, while poor quality ones took longer or had difficulties. A few felt is was difficult or slower to rent or had to reduce rents since beginning of the year. The attainable rents which varied widely due to location and amenities. Nearly all of their renter markets were made up of primarily professionals.

	Phillips Street 57 Phillips St. Boston 720-1018	Conway Co. 75 Charles St. Boston 227-2300	Cabot & Co. 213 Newbury St. Boston 262-6200
1-BR	$625-$825	$950-$1,000	$800-$1,300
2-BR	$895-$1,200	$950-$1,000	$900-$1,500
3-BR	$1,275-$1395	$1,800-$2,200	$1,100-$2,000

	Rondeau 69 Appleton St. Boston 247-0300	Sprogis 679 Tremont St. Boston 262-1504	Itzcan & Marchiel 160 Comm. Ave. Boston 247-2909
1-BR	$695-$1,000	$650-$900	$700-$1,600
2-BR	$895-$1,500	$800-$1,600	$1,800-$2,000
3-BR	$1,250-$1,800	$1,300-$2,400	$1,800-$2,000

	Boston Realty 139 Mass. Ave. Boston 236-2062	Copley Sq. 209 Newbury St. Boston 262-2600	Century 21 661 Bolyston St. Boston 266-3690
1-BR	$675-$750	$750-$850	$650-$1,500
2-BR	$975-$1,050	$900-$1,100	$950-$2,000
3-BR	$1,300	$1,100-$1,200	$1,200-$3,000

With the very high demand for affordable units in the Chinatown area, we know that the low income units will be absorbed quickly. With the attractiveness of location and numerous amenities, our proposed market rate apartments priced at $700 for an one bedroom unit, $880 for a two bedroom unit and $1,000 for a three bedroom unit should also to be absorbed quickly.

GLOBE STAFF PHOTO JANE TURNER

The Zhou family shares a meal in one bedroom of their four-room Chandler Street apartment. Jing San Zhou is at top. From him, clockwise, are son-in-law Tong Wei Guan, daughter Yu Xiao Zhen, grandson Jason Guan, wife Lan Feng Huang and daughter Yu Ping Zhou.

Dreams crowded out in Chinatown

By Sally Jacobs
GLOBE STAFF

The dream was of a better life, an escape from the sweltering ghettos of Hong Kong to the expansiveness of America.

But it is a dream that has collapsed upon the grinding misery of too many people in too small a space. For one middle-aged mother of four, America is a mattress under a stairwell shared with her husband and children. It is 13 people living in her two-bedroom apartment and no prospect of relief. It is the loss of all privacy but that afforded by a suspended cotton sheet. It is the accommodating of bodily functions to the demands of others.

"People fight to go to the bathroom," said the middle-aged woman, the muscles of her tear-stained face twitching in misery and mortification at the conditions in which she has lived for two years. "The families must take turns cooking."

Unable to speak any English, fearful of straying far among those who do, she sees an America largely defined by the borders of Boston's Chinatown, a 46-acre neighborhood at the city's heart. Flanked by the chrome towers of the financial district and the bright lights of the theater district,

'When someone uses the bathroom, I can't cook.... If someone is sleeping I can't get food.'

LAN FONG HUANG

Chinatown encompasses far more than the cultural features that draw tourists and immigrants alike. Its boundaries define the most crowded neighborhood in the city and one of its poorest.

In Chinatown, 30 percent of the housing units are considered overcrowded by the Boston Redevelopment Authority – more than seven times the overall city rate of 4 percent – and doubling and tripling up is a way of life. That means that one-quarter of the 1,478 housing units in Chinatown are home to five or more people and 94 percent of those units have only a single bedroom.

No space is sacrosanct. In a spotless three-room apartment on Tremont Street, a young couple sleeps on a mattress on the closet floor, rolls of toilet paper tucked underneath for cushioning, because the single bedroom is occupied by four other family members. Two floors above Bernie's Pub on Harrison Street, 12 people make do with five rooms, three of them tiny windowless spaces barely large enough for a bed. Several blocks away, in a steaming fourth-floor apartment on Chandler Street, a 61-year-old grandmother chops broccoli on a cracked tile floor. There is no room in the "kitchen," and the bathroom, where she usually does her cutting on a table, is occupied.

And yet the flood continues as scores of Chinese immigrants, driven by a formidable hope and a vision of America born of the big screen, surge through China Gate each year and squeeze into tiny apartments already packed so tight with family and friends that the old wooden foundations seem to groan under the strain.

The crowding is likely to get worse. As the state's fiscal condition worsens, some Chinese restaurants are laying off workers, making it increasingly difficult for newcomers to save the money needed to move on. In addition, as the 1997 takeover of Hong Kong by mainland China draws

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In Chinatown, dreams crowded out

■ CHINATOWN
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While an ironworker toils sixty stories to prepare land, Lee Fong Hoong eats vegetables on a newspaper in the hallway of her Chandler Street apartment.

Chronic crowding

A few blocks away

The Zhous, in America

Yu Lian Zhou bathes her son Jason in the living room of the four-room apartment she shares with four other Asian immigrants, including her mother Lee Fong Hoong. The dresser beside Jason's head contains TV in the kitchen.